SHOPPING CENTRE COUNCIL OF AUSTRALIA

RESEARCH NOTE

RETAIL TRADE ESTIMATE* DECREASED BY 4.4 PER CENT IN DECEMBER 2021 BUT INCREASED 4.8 PER CENT YEAR-ON-YEAR

Monday, February 07 2022 - The latest release (December 2021) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) estimate* decreased by 4.4 per cent, down from 7.3 per cent from a particularly strong November 2021. Retail Turnover increased by 4.8 per cent year-on-year (y-o-y), down from an equally strong 5.8 per cent in the prior corresponding period (pcp). * The ABS has temporarily suspended the publication trend data due to volatility.

STATE OF PLAY

The adjacent table summarises the key data in **seasonally adjusted** terms across the six ABS retail categories. The strongest growth was recorded for 'Food' retailing on a m-o-m basis (2.2 per cent). 'Other' retailing recorded the strongest growth on a y-o-y basis (12.0 per cent). In seasonally adjusted terms, Retail Turnover decreased by 4.4 per cent in the month of December. On a y-o-y basis, Retail Turnover increased by 4.8 per cent. The ABS data suggests that elevated spending in November 2021 was a combination of Christmas spending being 'pulled forward' by the proximity of Black Friday/Cyber Monday to the end of the month, as well as a function of elevated demand following Government restrictions across some jurisdictions which ended in October. So, whilst m-o-m spending was down, 4.8 per cent growth y-o-y for December is a particularly strong result, especially given that December 2020 recorded 9.7 per cent y-o-y growth, the highest growth in 32 years.

TREND ANALYSIS: CHAIN VOLUME MEASURES

The quarterly chain volume measure estimates the change in value after the direct effects of price changes have been eliminated, reflecting changes in volume. In the quarter to December 2021, Chain Volume Measures increased by 8.2 per cent, up from -4.4 per cent in the pcp. Retail Turnover increased by 7.6 per cent in the December 2021 quarter, up from -3.0 per cent in the pcp. Retail Turnover is tracking in-line with Chain Volume Measures indicating that pricing (i.e. inflation) and increased volumes from pent up demand are equally contributing to growth.

STATE BY STATE: BEST AND WORST

Retail turnover varies within the ABS defined six categories and across different jurisdictions. The adjacent map outlines and compares the total and growth of retail trade (y-o-y), and the best and worst retail growth categories. The strongest jurisdictions in seasonally adjusted terms were Victoria (up 8.2 per cent to $93.6 billion) followed by Western Australia (up 8.0 per cent to $41.8 billion) and Queensland (up 5.8 per cent to $77.6 billion). The ACT (up 1.6 per cent to $6.8 billion) was the 'worst performing'
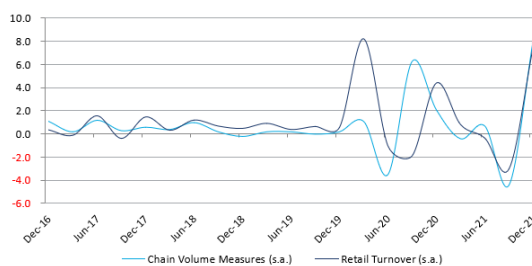
jurisdiction in percentage terms, although still recording strong growth, following months of severe restrictions on retail trade. The highest growth across all jurisdictions, with the exception of New South Wales, was recorded for 'discretionary' categories, most notably 'Cafes, restaurants and takeaway food' retailing.

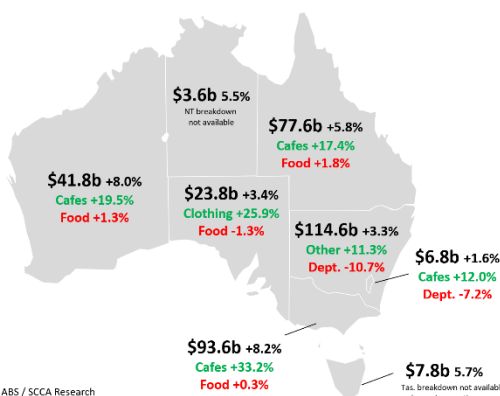| CATEGORIES	$ billion	m-o-m	last 3 months	y-o-y
Food retailing	$12.97	↑ 2.2%	↓ -0.8%	↑ 3.2%
Household goods retailing	$5.80	↓ -9.2%	↑ 5.9%	↑ 5.1%
Clothing, footwear and personal accessory retailing	$2.53	↓ -17.3%	↑ 46.0%	↑ 5.8%
Department stores	$1.51	↓ -21.3%	↑ 21.3%	↓ -9.0%
Other retailing	$5.04	↓ -4.0%	↑ 5.2%	↑ 12.0%
Cafes, restaurants and takeaway food services	$4.08	↓ -0.7%	↑ 21.9%	↑ 6.8%
Retail Turnover	$31.93	↓ -4.4%	↑ 7.6%	↑ 4.8%

Source: ABS / SCCA Research   *Seasonally Adjusted

ABS Retail Turnover - Seasonally Adjusted
Quarterly Growth in Chain Volume Measures vs. Retail Turnover (%)

Source: ABS / SCCA Research

$3.6b 5.5%
NT breakdown not available

$77.6b +5.8%
Cafes +17.4%
Food +1.8%

$41.8b +8.0%
Cafes +19.5%
Food +1.3%

$23.8b +3.4%
Clothing +25.9%
Food -1.3%

$114.6b +3.3%
Other +11.3%
Dept. -10.7%

$6.8b +1.6%
Cafes +12.0%
Dept. -7.2%

$93.6b +8.2%
Cafes +33.2%
Food +0.3%

$7.8b 5.7%
Tas. breakdown not available
+ change in reporting.

Source: ABS / SCCA Research